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TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

Elite Baywood, LP and Arthur Square Apartments, LP (collectively "Debtors"), file this Emergency Motion for Joint Administration pursuant to 11 U.S.C. § 105(a), Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of their respective chapter 11 cases. The grounds for this motion are:

**I. Jurisdiction**

1. This Court has jurisdiction by virtue of 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(1).

**II. Venue**

2. As to Debtor Elite Baywood, LP, venue is proper in this district pursuant to 28 U.S.C. § 1408(1) because the Debtors' principal places of business have been located in this district for more than 180 days preceding the filing of these bankruptcy cases.

3. As to Debtor Arthur Square, LP, venue is proper pursuant to 28 U.S.C. § 1408(2) because its affiliate, Debtor Elite Baywood, LP is a debtor in a case pending before the U.S. Bankruptcy Court for the Southern District of Texas, Houston Division.

**III. Background & Exigent Circumstances**

4. These chapter 11 bankruptcy cases were each filed on March 1, 2010 under chapter 11 of title 11 of the Bankruptcy Code, 11 U.S.C. §§101 *et seq.* (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage property as a debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

5. No trustee or examiner has been appointed in the Debtors' bankruptcy cases and no official committee of unsecured creditors has been established.

6. Debtor Elite Baywood, LP (case no. 10-31760) owns and operates an 81 unit

residential apartment complex known as the Baywood Arms Apartments in Baytown, Texas. Debtor Arthur Square Apartments, LP (case no. 10-31774) owns and operates a 226 unit residential apartment complex known as the Poole Avenue Apartment Homes in Port Arthur, Texas. The same individual is president of each Debtor's general partner. Each bankruptcy case was filed to avoid foreclosure by First National Bank on Debtors' respective properties.

7. Debtors seek emergency hearings on their respective requests, made by separate motions filed in their respective cases (i) to obtain permission to use cash collateral, (ii) that the Court set the amount of adequate assurance to utility companies under section 366, and (iii) for permission to honor payroll checks to Debtors employees. Case number 10-31760 is assigned to the Honorable Judge Marvin Isgur. Case number 10-31774 has been assigned to the Honorable Judge Wesley W. Steen.

8. It would be a waste of judicial resources to conduct separate hearings in separate Courts on separate motions that seek almost identical relief by affiliated companies, who are in the same line of business, who are run by the same principals, and who share the same major secured lender.

9. Additionally, it would be a waste of judicial resources for one Court to conduct the preliminary cash collateral hearing and another court to conduct the hearing on final cash collateral.

#### **IV. Relief Sought**

10. The Debtors ask the Court to enter an order (i) granting joint administration, (ii) directing that all motions (whether filed as to either or both Debtors) and other docket entries be entered in the docket of case number 10-31760, and (iii) directing that all hearings conducted in either bankruptcy case be conducted in case number 10-31760.

11. The Debtors shall file separate schedules and statements of financial affairs.
12. The Debtors desire that the Office of the U.S. Trustee be authorized to conduct joint 341 meetings.
13. Separate claims registered should be maintained by the Clerk of the Court.
14. At present, the Debtors plan to file separate proposed chapter 11 plans of reorganization.
15. At present, the Debtors plan to file separate monthly operating reports.

**V. Grounds for Relief**

16. Bankruptcy Rule 1015(b)(4) authorizes the joint administration of cases in which affiliates are debtors. Bankruptcy Rule 1015(c) authorizes the Court to enter a joint administration order on an expedited basis in order to avoid unnecessary cost and delay.
17. The Debtors seek joint administration of their chapter 11 cases for procedural purposes only pursuant to Fed. R. Bankr. P. 1015(b).

**Prayer**

The Debtors request that the Court authorize the joint administration of the above-styled bankruptcy cases.

DATED: March 3, 2010

Respectfully submitted,

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